



GARY R. HERBERT
Governor

SPENCER J. COX
Lieutenant Governor

State of Utah

DEPARTMENT OF NATURAL RESOURCES

MICHAEL R. STYLER
Executive Director

Division of Oil, Gas and Mining

JOHN R. BAZA
Division Director

October 3, 2014

CERTIFIED RETURN RECEIPT
7013 2250 0000 2310 3948

Daniel Sheppard
GoldTerra, Inc.
4088 East Airport Road
P.O. Box 783
Price, Utah 84501

Subject: Surety Escalation and Permit Fee, GoldTerra, Inc., Black Knight Mine S/015/0078 Emery County, Utah

Dear Mr. Sheppard:

The reclamation surety being held by the Division of Oil, Gas and Mining for the Black Knight mine is adequate for a one-acre site, but based on data collected by the Division, the disturbed area is 3.00 acres (please see enclosed map). The Division, therefore, requires that the surety be increased to \$18,000.00 for a three-year escalation (surety amount next evaluated in 2017) or \$18,700 for a five-year escalation. This is based on average costs per acre as show in the following tables.

Small Mine Operation Bond Calculation Worksheet S/015/0078			
3-year escalation (2017)			
Item	Qty	Unit Cost	Total Cost
1st Acre Disturbance	1	\$8,000.00	\$8,000.00
Add'l Acres Disturbance	2	\$5,000.00	\$10,000.00
TOTAL			\$18,000.00
5-year escalation (2019)			
Item	Qty	Unit Cost	Total Cost
1st Acre Disturbance	1	\$8,300.00	\$8,300.00
Add'l Acres Disturbance	2	\$5,200.00	\$10,400.00
TOTAL			\$18,700.00

The Division currently holds a reclamation surety in the amount of \$7600.00 in the form of a certificate of deposit at the Eastern Utah Community Credit Union. The increased surety in the amount \$10,400.00 or \$11,100.00 can be submitted in the form of a certificate of deposit, cash, a letter of credit, or a surety bond for either the increased or the full amount. Please contact the Division's bonding coordinator, Penny Berry, at 801-538-5291 or by e mail at pennyberry@utah.gov for assistance in completing this requirement. **Please submit the increased amount by December 1, 2014.**

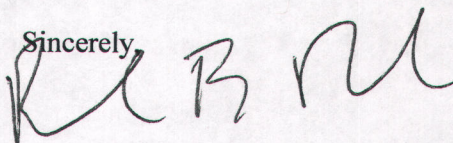


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Daniel Sheppard
S/015/0078
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Division records indicate the annual permit fee in the amount of \$150.00 was not paid for 2014. Enclosed is a statement for this amount. Authorization to conduct operations is contingent on payment of this fee, and failure to do so may result in withdrawal of the Notice of Intention. Please submit the fee no later than October 31, 2014. Please notify the Division if you believe its records are in error and that the fee has been paid.

Please contact Wayne Western at 801-538-5263 or me at 801-538-5261 if you have questions or concerns regarding this letter. Thank you for your cooperation.

Sincerely,

A handwritten signature in black ink, appearing to read 'P. B. Baker', written over the word 'Sincerely,'.

Paul B. Baker
Minerals Program Manager

PBB:pb

Attachment: Billing Statement, Map of disturbed area, inspection report

cc: Jerry Mansfield, SITLA

P:\GROUPS\MINERALS\WP\M015-Emery\S0150078-BlackKnight\final\escalate-09262014.doc



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DEPARTMENT OF NATURAL RESOURCES
DIVISION OF OIL, GAS AND MINING

1594 West North Temple, Suite 1210
PO Box 145801
Salt Lake City, Utah 84114-5801
801-538-5340
801-359-3940 (Fax)
801-538-7223 (TDD)

GOLDTERRA, INC
4088 E AIRPORT RD
PO BOX 783
PRICE UT 84501

ATTENTION: DANIEL SHEPPARD

ANNUAL PERMIT FEE

Annual Permit Fees for Jan 2014 thru Dec. 2014

SITE NAME	PERMIT ID	ACRES	BILLING DATE
BLACK KNIGHT	S150078	NA	01/20/2014
PERMIT TYPE	PERMIT STATUS	ANNUAL FEE	
SMALL MINING OPERATION < 5 ACRES	ACTIVE	\$ 150	

DUE DATE	AMOUNT DUE
10/31/2014	\$ 150

Please retain this portion for your records. For billing Information call (801) 538-5291

This portion **MUST** be returned with your payment to ensure proper credit. **THANK YOU**

ACCOUNT BILLED	PROJECT NAME	PERMIT ID
GOLDTERRA, INC	BLACK KNIGHT	S150078

DUE DATE	ANNUAL FEE	AMOUNT DUE	<input type="checkbox"/> FEE ENCLOSED	<input type="checkbox"/> FEE NOT ENCLOSED*
10/31/2014	\$ 150	\$ 150		

Approval to mine or conduct exploration is automatically withdrawn if annual permit fees are not paid by the date due.

DIVISION OF OIL GAS AND MINING
1594 WEST NORTH TEMPLE SUITE 1210
PO BOX 145801
SALT LAKE CITY UT 84114-5801

If reclamation is complete, please submit form MR-SITE to request either a full or partial release. The permit fee is not required if the entire site has been regraded and seeded; The Division will verify the reclamation work.
Forms and other permit-related information are available on the Web at <http://ogm.utah.gov/minerals> or you can call (801) 538-5291 for more information.

Please make check payable to:
Division of Oil, Gas and Mining